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ABSTRACT

This document from the U.S. Department of Education describes the role of the No Child Left Behind Act in the community college. The U.S Department of Education's 2002-2007 Strategic Plan includes a major goal focused on enhancing the quality of and access to postsecondary and adult education. Recognizing the importance and the potential of community colleges in supporting the economic vitality of communities and their inhabitants, the federal government provides both direct and indirect support. In FY 2002, the U.S. Department of Education is providing more than $4.5 billion to community or technical colleges through direct funding, grants, and financial assistance, as well as $1.5 billion in federal loan programs. More than 5.4 million students in the U.S., or nearly half of all undergraduates, are enrolled in credit-bearing courses at 1,600 community and technical colleges. Nearly half of the nation's minority undergraduate students attend community or technical colleges. The document describes departments within the U.S. Department of Education that support community colleges, including: (1) Office of Vocational and Adult Education (OVAE); (2) Office of Postsecondary Education (OPE); and (3) Office of Student Financial Assistance Programs (OSFAP). The document also offers a listing of U.S. Department of Education and other departments' funding programs for community colleges. (NB)

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Preparing America's Future: Community Colleges in the Era of No Child Left Behind

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Preparing America's Future: Community Colleges In the Era of No Child Left Behind[i]

Community and technical colleges play a pivotal role in education and training in the United States. They have demonstrated their ability to provide a solid education at a good value, and to function as an important engine of workforce development for local communities. The economy of the 21st century calls for a skilled workforce and expansion of opportunities for rigorous, research-based education and training for all. The Bush Administration is responding by putting education at the forefront of domestic priorities, and is actively pursuing ways to work with postsecondary educators to strengthen the key role that community colleges can play. Both education and workforce development are critical for strengthening our country's economic security—one of three national priorities cited by President Bush in his 2002 State-of-the-Union address.

The first community college in this country opened more than 100 years ago as a junior college. Expanding to 1600 campuses, these locally oriented and responsive postsecondary institutions, enable millions of people to learn valuable skills for success in the workplace, as well as continued success in higher education. In close partnership with business, industry and local employers, community colleges are vital forces for economic development in the communities they serve. No other institution performs such important, diverse tasks encompassing education, access, career opportunity, workforce development, and economic competitiveness. The federal government, as one of many funding sources, assists in supporting effective community and technical colleges and the preparation of their students.

Today, more jobs than ever require education or training beyond high school, yet many of America's youth are under-prepared for success in postsecondary education and promising careers. Recognizing the imperative of elementary and secondary schools in providing education and career opportunities for all students, No Child Left Behind bases education reform on four principles:

- *Raising Academic Achievement and Accountability.* The focus on raising academic achievement in elementary and secondary schools will strengthen the preparation of students coming to community colleges and other colleges and universities. The emphasis on improving achievement and accountability will also promote the quality of education and training within postsecondary education.
- *Increasing Flexibility and Local Control.* Community colleges have traditionally been locally oriented institutions, serving a wide range of students and goals. While the variety of federal, state and local regulatory and reporting requirements are sometimes complicated, the U.S. Department of Education is pursuing efforts to assist colleges in simplifying these measures and reporting processes.
- *Focusing on What Works.* Based on sound research about effective programs and practices, the U.S. Department of Education is working with the education

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community to identify and disseminate strategies with proven success in community colleges in meeting high academic and workforce development goals.

- *Increasing Options for Students.* Community colleges are well-positioned to offer a wide range of education and training curricula, including programs and courses for students in the upper levels of high school, as well as adults trying to upgrade skills or make a career change.

Passed with strong bipartisan support, No Child Left Behind represents President Bush's education reform plan. The education principles highlighted in the act serve students, youth and adults—no matter what the age of the learner. Thus, the U.S. Department of Education's 2002-2007 Strategic Plan (**www.ed.gov/pubs/stratplan2002-07**) includes a major goal focused on enhancing the quality of and access to postsecondary and adult education.

Serving Multiple Constituents

Community colleges are a unique vital link between raising academic achievement of students leaving secondary school and making successful transitions into and through postsecondary education and careers. Community colleges also provide essential programs for adults. These range from high school equivalency and mastery of English as a second language to associates degrees and state-of-the-art skills certificates. More than one quarter of non-credit students at community colleges already have a baccalaureate degree.

Federal Resources

Recognizing the importance and the potential of community colleges in supporting the economic vitality of communities and their inhabitants, the federal government provides both direct and indirect support. In FY 2002, the U.S. Department of Education alone is providing more than $4.5 billion to community or technical colleges—through direct funding to institutions, grants to states that subsequently go to colleges, or financial assistance to students. Additionally, students at these institutions (or their families) participated in federally subsidized, unsubsidized, or guaranteed loan programs—in amounts totaling more than $1.5 billion during the academic year 2000-2001 (the most recent academic year for which final data was available).[ii]

Additional Resources

Low- and middle-income students, or their families, also benefit from the Taxpayer Relief Act's provisions for tax credits for two years of postsecondary education and a 20 percent credit through the Lifetime Learning Tax Credit. Many other federal agencies provide funding for programs, students, or innovative projects at these institutions. In addition, community college students participate in internships, fellowships, and other work experiences at a wide range of federal agencies.

Research and Evaluation

One of the most important ways the federal government can assist colleges and provide more students with the highest quality of education is to research, identify, and share information about local models or curricula that have proven effective. Demonstration, research and training programs are often implemented at community colleges. More importantly, the U.S. Department of Education is focusing resources on identifying existing effective models, and fostering expansion in other institutions.

Who are community college students?

More than 5.4 million students are enrolled in credit-bearing courses at 1600 community or technical colleges—nearly half of all undergraduates in America. An additional 5 million students are enrolled in non-credit courses at those institutions. Total enrollment (10.4 million) at community colleges has increased *five-fold* over the past 40 years.[iii]

Overall, a profile of community and technical college students includes:

- 64% part-time; 36% full-time[iv]
- 57% female; 43% male[v]
- 67% white, 12% African American, 13% Hispanic, 7% Asian or Pacific Islander, and 1% American Indian or Alaskan native[vi]
- Nearly half of the nation's minority undergraduate students – 44% of African Americans, 45% of Hispanics, 53% of American Indians, 39% of Asians, 47% of Native Hawaiian or Pacific Islander.[vii]
- Average age of all community college students is 29[viii], but the median age is 23/24 for credit-enrolled students, down from 26/27[ix] a decade ago. One of the largest cohorts attending community colleges is students ages 18/19; they comprise almost 21% of all students.[x]
- Average annual tuition and fees of $1,359[xi]
- 55.9% of full-time students receive some type of aid from either federal, state, institutional or other sources. 30.7% of part-time students receive some type of aid from either federal, state, institutional or other sources.[xii]

Community colleges also provide:

- Specialized training or education to meet local workforce needs, including occupational areas with shortages of sufficient, qualified workers.
- Retraining or services for adults who are laid-off or have insufficient skills for new jobs opening in the area.
- Training for 65% of new healthcare workers. [xiii]
- The initial postsecondary experience for one in five baccalaureate graduates in education certified to teach, and at least part of the math and science coursework for 40 percent of current teachers.[xiv]

- An increasing proportion of postsecondary remedial courses to bring under-prepared students up to college level.

Office of Vocational and Adult Education support for Community and Technical Colleges (www.ed.gov/offices/OVAE/index.html)

The U.S. Department of Education's Office of Vocational and Adult Education (OVAE) focuses on high school, community college, and adult education—all areas affecting community colleges. Since 2002, OVAE's "Preparing America's Future" initiative has focused on three key priorities:

- Preparing every American youth to complete high school and be well prepared for postsecondary education and employment.
- Supporting community and technical colleges to fulfill their potential as an engine of education, career preparation, workforce development and economic development.
- Expanding adult learning to bring higher levels of literacy and English fluency to millions of underserved Americans.

All of these priorities affect the students and programs found in America's community and technical colleges. OVAE supports these institutions not only by funding individual projects or state grants, but also by identifying effective sites where colleges or states have addressed key topics in education and training. Several initiatives were launched in 2002 that focus either on community colleges or the preparation of the students who may attend them.

- *Accelerated Transitions Initiative* is designed to gather information on the prevalence, programs, and practices of credit-based transition programs. Credit-based transition efforts include a variety of programs such as Advance Placement (AP), International Baccalaureate (IB), Dual-Credit, Tech-Prep, and Middle College. All of those programs provide students with the option of gaining postsecondary credit while still enrolled in high school.

- *College and Career Transitions Initiative* is designed to strengthen the role of community and technical colleges in easing students' transitions from secondary to postsecondary education. National organizations and ten partnerships between high schools and colleges will produce models of aligned curricula, professional development and assessment in broad, high-growth occupational areas.

- *Community College Labor Market Responsiveness Initiative* targets information and tools to enable colleges to keep pace with the needs of a diverse student body and dynamic labor market. The project is identifying characteristics of a "market-responsive" college and steps that colleges can take to improve responsiveness and the quality of customized programs.

- *Center for State Scholars* works with states on policy and incentive systems to support high school students in completing a rigorous course of study, preparing them for postsecondary education and careers.

- *Performance Measurement Initiative* is addressing both college concerns about lack of alignment in accountability systems and public concerns about ensuring that performance is measured. The project is developing and testing secondary and postsecondary performance accountability systems for career and technical education. Local, state and federal representatives will identify measures, design data collection and accountability systems, and identify ways to use data for program management, improvement and accountability.

- *Survey on Postsecondary Transition Programs* is being undertaken by the National Center for Education Statistics's (NCES) Postsecondary Education Quick Information Systems (PEQIS). The survey focuses on the prevalence, practices, and policies associated with postsecondary transition programs at community colleges.

Updates of new initiatives that focus on community colleges can be found elsewhere on the OVAE website. **(www.ed.gov/offices/OVAE/CCLO/index.html)**

Other Offices Within The U.S. Department of Education That Offer Support for Community Colleges

The Office of Postsecondary Education **(www.ed.gov/offices/OPE/)** and the Office of Student Financial Assistance programs **(*www.ed.gov/offices/OSFAP/***) are additional U.S. Department of Education divisions providing support to community colleges and their students. The Higher Education Act provides funding for institutional aid, student financial assistance, developing institutions, international education, teacher quality, and graduate and postsecondary improvement. The Act is designed to improve access, affordability, and quality in higher education.

Since community colleges serve so many low-income and under-represented students, they are important direct or indirect recipients of federal funding to build institutional capacity, assist students in affording college, and increase minority participation.

Many other federal agencies provide support, including the National Science Foundation, the U.S. Departments of Agriculture, Commerce, Defense, Energy, Health and Human Services, Housing and Urban Development, Interior, Justice, Labor, Transportation, and others.

Federal Funding for Community Colleges in FY 2002: Programs and Approximate Amount going to Community or Technical Colleges

How is the federal government supporting community or technical colleges? The program descriptions that follow outline major initiatives and the funding that goes directly or indirectly to those institutions. Each heading includes the program name, the

authorizing legislation act and title, and the amount going to community or technical colleges. Within the program descriptions, the term "two-year institutions" is used at times to reflect the terminology used by data gatherers.

U.S. Department of Education Funding Directly to Community Colleges:

Child Care Access Means Parents in School (CCAMPIS)
(Higher Education Act, Title IV-A) ***$5.85 M***
CCAMPIS supports the participation of low-income parents in postsecondary education through provision of campus-based childcare services. In 2002, there were 135 awards (new and continuation) to community colleges, totaling $5.85 million. Total CCAMPIS funding for FY 2002 was $22.2 million, going to 441 colleges.
(www.ed.gov/offices/OPE/HEP/campisp/)

Developing Hispanic-Serving Institutions
(Higher Education Act, Title V) ***$48.2 M***
Grants of up to five years in duration support expanding capacity to serve Hispanic and low-income students at institutions with at least 25 percent Hispanic enrollment. In FY 2002, two-year institutions received $48.2 million of the $86 million provided for new and continuation projects. In new 2002 awards, two-year institutions submitted 23 of 49 applications, and received 16 of 34 new awards.
(www.ed.gov/offices/OPE/HEP/idues/hsi.html)

Fund for the Improvement of Postsecondary Education (FIPSE)
(Higher Education Act, Title VII-B) ***$7-8 M***
FIPSE supports exemplary, locally developed projects that are models for innovative reform and improvement in postsecondary education. FIPSE competitions include the following categories: *Comprehensive, US-Brazil Higher Education Consortia, European Community-United States of America Cooperation Program in Higher Education and Vocational Education and Training, Program for North American Mobility in Higher Education,* and *Learning Anytime Anywhere Partnerships* grants for postsecondary distance education. In FY 2002, nearly 60 new or continuation awards were made to community colleges or to groups that included a community college as a key partner. Two-year institutions were the lead or key partner in 20 of the new awards, with $2.9 million going to them in 2002. In addition, nearly 40 two-year colleges or associations had continuation awards during part or all of FY 2002. The total multi-year amount of those awards was $15.6 million. **(www.ed.gov/offices/OPE/FIPSE/)**

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)
(Higher Education Act, Title IV-A) ***$16.4 M***
GEAR UP is a discretionary grant program designed to increase the number of low-income students who are prepared to enter and succeed in postsecondary education. Five-year grants to states and partnerships support services at high-poverty middle and high schools. GEAR UP grantees serve an entire cohort of students beginning no later than the seventh grade and follow that cohort through high school. Funds are also used to provide college scholarships to low-income students. $283.2 million was awarded to

grantees in FY 2002, with $16.4 million going directly to 39 community colleges. **(www.ed.gov/offices/OPE/gearup/)**

International Education Programs
(Higher Education Act, Title VI) ***$1.35 M***

The three international education programs supporting community colleges include: *Business and International Education* (BIE), *Groups Projects Abroad* (GPA), and *Undergraduate International Studies and Foreign Language* (UISFL). The International Education and Foreign Language Studies domestic programs are designed to strengthen the capability and performance of American education in foreign languages and in area and international studies. BIE is the largest of these programs for community college participation, accounting for two-thirds of the funding going to those institutions through the international education programs. Activities are designed to improve academic teaching of business curriculum and to conduct outreach that expands the capacity of the business community to engage in international economic activities. Community colleges received 10 of the 33 BIE awards, two of the 57 GPA awards, and two of the 30 UISFL awards. **(www.ed.gov/offices/OPE/HEP/iegps/)**

Minority Science and Engineering Improvement Program
(Higher Education Act, Title III-E) ***$1.5 M***

This program assists predominantly minority institutions in improving science education and increasing the participation and transition of minorities (particularly women) into science and engineering careers. Eligible applicants include two-year public or private non-profit institutions that award associate degrees, have over 50% minority enrollment, have curricula that include science and engineering subjects, and enter into a partnership with a four-year minority institution of higher education. In FY 2002, six new and 13 continuation awards were made to two-year institutions. They received $1.5 million of the $8.4 million awarded to all institutions. Two-year institutions submitted 16 of the 106 applications, and received six of the 42 new awards in FY 2002. **(www.ed.gov/offices/OPE/HEP/idues/msi.html)**

Preparing Tomorrow's Teachers to Use Technology
(now HEA, Title II-B) ***$1.2 M***

Preparing Tomorrow's Teachers to Use Technology (PT3) provides grants for innovative program improvements to help future teachers become proficient in the use of modern learning technologies, particularly for teaching within schools in low-income communities or rural areas. The focus is on preparing teachers who can assist all students in meeting challenging state and local academic content and standards. Awards go to consortia of higher education institutions, state agencies, school districts, nonprofit organizations, and other interested organizations. No new awards were made in FY 2002, but six community colleges received $1.2 million in continuation funds. The No Child Left Behind Act moved the PT3 program to the authority of the Higher Education Act (Title II-B), and new awards are being made in FY 2003. According to the new requirements that fit HEA, Title II, funds will be awarded to consortia that include at least one baccalaureate level institution of higher education, one state or local educational agency, and one other entity. **(www.ed.gov/offices/OPE/PPI/teachtech/)**

Strengthening Institutions
(Higher Education Act, Title III-A) ***$61.6 M***

Funding is provided for community colleges and other postsecondary institutions with at least 50 percent of students receiving financial assistance under Title IV of the Higher Education Act. Awards may be used for improving and strengthening academic quality, management, and fiscal stability. This title also includes $17.5 million for strengthening Tribally Controlled Colleges and Universities. Community colleges were 27 of the 29 tribal colleges receiving awards, and the other two offer both associates and higher degrees. In FY 2002, 209 two-year institutions received $61.6 million of the $127.2 million available. In new awards, two-year institutions submitted 100 of the 221 applications, and received 28 of the 38 awards.
(www.ed.gov/offices/OPE/HEP/idues/title3a.html)

Strengthening Historically Black Colleges and Universities
(Higher Education Act, Title III-B) ***$21.7 M***

Historically Black Colleges and Universities (HBCUs) receive funding to help strengthen infrastructure and achieve greater financial stability. Funds support activities such as construction, community outreach and student services. In FY 2002, 16 two-year public and private HBCU institutions received $21.7 million of the total $206 million available.
(www.ed.gov/offices/OPE/HEP/idues/title3b.html)

Tech Prep Demonstration Grants
(Perkins III, Title II) ***$5 M***

The Carl D. Perkins Vocational and Technical Education Act of 1998 (Perkins III) authorizes this pilot program, funded at $5 million per year in 2001and 2002. Funding supports tech-prep education programs that include the location of a secondary school on the site of a community college. All nine funded sites provide the opportunity for students to receive postsecondary credit while attending high school. Eight of the nine sites are headed by one or more community colleges.
(www.ed.gov/offices/OVAE/CTE/tprepdemo1.html)

TRIO Programs
(Higher Education Act, Title IV-A) ***$266.6 M***

"TRIO" encompasses a group of programs designed to increase college awareness, preparation, retention, and graduation rates for underserved students, primarily through counseling, tutoring, and study skill instruction. In FY 2002, two-year institutions received $266.6 million of the $760 million available under programs for which they are eligible. Program funding included Talent Search ($143.5 M total, $48.77 M to community colleges), Upward Bound ($264.2 M, $73.3 M to community colleges), Upward Bound Math and Science ($31.8 M, $4.35 M to community colleges), and Educational Opportunity Centers ($48 M, $14.2 M to community colleges). These programs primarily target students before college-aged and are often based at higher education institutions. The Student Support Services program provides guidance and activities for low-income, first generation college students ($262.7 M, $125.8 M to community colleges). In addition, nearly $200,000 went to one community college for

dissemination activities—one of 17 awards in that area. TRIO programs do not hold new competitions in all categories during the same year. In FY 2002, two-year institutions submitted 403 of the 1202 new applications for the Educational Opportunity Centers and Talent Search competitions, and received 229 of the 614 new awards. In the competition for training, two-year institutions submitted four of 68 applications, and received none of the 29 awards. **(www.ed.gov/offices/OPE/HEP/trio/)**

Tribally Controlled Postsecondary Vocational and Technical Institutions (Perkins III, Title I) ***$6.5 M***

This program provides funding to tribally controlled colleges that do not receive funds under the Tribally Controlled College or University Assistance Act of 1978. Currently, two institutions receive funding. Tribal colleges also receive funding under a set-aside of 1.25 percent (or $17.7 M in 2002) of Perkins state grant appropriations for discretionary grants to tribes, tribal organizations, and Alaska Native entities. **(www.ed.gov/offices/OVAE/CTE/tcpvi.html)**

U.S. Department of Education Funding to States for Distribution to Community Colleges (and others):

Adult Education and Family Literacy Act State Grants (Title II) ***$141.2 M***

Formula-based basic state grants provide services for literacy, as well as Graduate Equivalency Diploma (GED) and English as a Second Language (ESL) preparation for adults and youth. Although exact figures for funding to community and technical colleges are not available, it is estimated that 25 percent of the $564.7 million is going to those institutions. An additional $1.5 million went to two colleges receiving Community Technology Centers program grants and one receiving an English Literacy and Civics Education grant. State Directors are the key contacts for information on programs within each state. **(www.naepdc.org/members/members.html)**

Secondary and Technical Education, State Basic Grants (Perkins III, Title I) ***$381.6 M***

The Carl D. Perkins Vocational and Technical Education Act of 1998 (Perkins III) provides formula-based funding to help states, local education agencies and postsecondary institutions implement career and technical education programs. **(www.ed.gov/offices/OVAE/CTE/vye.html).** Each state or territory decides what percentage of funds goes to secondary and postsecondary education, with the postsecondary portion ranging in 2002 from 9 to 75 percent. The funds for postsecondary education are allotted by formula within each state based on the relative number of economically disadvantaged students participating in postsecondary vocational education programs. The number of students receiving Pell grants is one factor. In FY 2002, states allocated $381.6 million to postsecondary educational institutions. This is approximately 39 percent of the $981.9 million available. The state directors are the key contacts for programs within a state. **(www.nasdvtec.org/reference/directors.htm)**

Tech Prep Education Grants
(Perkins III, Title II) ***$108 M***

Tech Prep grants are awarded to states, which in turn allocate funds to consortia consisting of secondary and postsecondary institutions. These consortia help students attain a common core of required proficiencies in mathematics, science, reading, writing, communications, economics and workplace skills through applied, contextual academics and integrated instruction, in a coherent sequence of courses. Tech-Prep programs are designed to lead to an associate degree or postsecondary certificate in a technical career field and, where appropriate, link to courses of study at four-year institutions. Consortia establish agreements encompassing at least two years of secondary school and at least two years of postsecondary education, and must include a public or private nonprofit institution of higher education. The postsecondary institutions are predominantly community and technical colleges. **(www.ed.gov/offices/OVAE/CTE/vye.html)**

Additionally, some programs included in the section on direct funding to community colleges, such as GEAR UP, make state, as well as institutional, awards.

U.S. Department of Education Funding or Support to Individuals who Attend Community Colleges:

The programs that follow are authorized under Title IV of the Higher Education Act, and provide grants or loans to postsecondary students or their parents. The Pell Grant program provides the largest amount of support for community college students, particularly since the tuition at those institutions is lower. Information on funding for grants and loan programs can be found at **(www.ed.gov/offices/OPE/Data/).**

Funding to Students *(All Programs are under the Higher Education Act, Title IV)*

Pell Grants ***$3.3 Billion***

The Pell Grant program promotes financial access to postsecondary education by providing grant aid to low- and middle-income undergraduate students. The program is the most need-focused of the U.S. Department of Education's student aid programs, with individual awards varying according to the financial circumstances of students and their families. The amount, currently up to a maximum of $4,050 per year, depends on financial need, cost of attending school, full-time or part-time status, and whether the student attends for a full academic year or less. Additionally, ability to award the maximum may be affected by whether the total appropriation for Pell grants is sufficient to cover the number of students demonstrating need. From 2000 to 2002, the number of requests rose by nearly 25 percent, compared to a 5 percent increase from 1997 to 1999. These increases come primarily from a rise in the number of independent students—a key segment of the community college enrollment. There were more than 1.6 million community college students receiving $3.3 billion in Pell grants in 2001-2002. Pell grants comprise the single largest source of federal funds going to community colleges.

Campus-Based Programs: *The federal government also provides loans or other support. Because the tuition at community colleges is relatively low, most students with the greatest need are covered by Pell grants. Campus-based programs, and the approximate amounts going to community college students, include:*

Federal Supplemental Educational Opportunity Grants ***$145.4 M***

The Federal Supplemental Educational Opportunity Grant (FSEOG) program provides grant assistance of $100 to $4,000 per academic year to undergraduate students with demonstrated financial need. $906.7 million was awarded in the 2000-2001 academic year, $145.4 million of which went to more than 320,000 students at two-year institutions. In addition, two-year institutions received more than $3.5 million in administrative cost allowances for operating FSEOG at their campuses.

Federal Work-Study ***$146.9 M***

The Federal Work-Study program provides grants to participating institutions to pay up to 75 percent of the wages of needy undergraduate and graduate students working part-time to help pay their college costs. The school or other eligible employer provides the remaining 25 percent of the student's wages. More than 220,000 students in community colleges received nearly $147 million of the $1 billion allotted for work-study in 2002. Additionally, two-year institutions received $7.4 million in federal administrative cost allowances for operating their work-study programs.

Loan Programs: *While they do not provide direct aid to students or parents, federal loan programs assist students in locating the funds to pay for college. Several loan programs offer low interest, based on student need. Students at community colleges are less likely than those in baccalaureate institutions to participate in these programs, in large part because the tuition is significantly lower at community and technical colleges.. The figures indicated below represent the amount of funds borrowed under these federal programs by students (or parents) in public and private two-year institutions.*

Federal Perkins Loans (Also a Campus-Based Program) ***$31.7 M***

The Federal Perkins Loan program provides students with demonstrated need long-term, low-interest loans of up to $4,000. Perkins Loan borrowers pay no interest during in-school, grace, and deferment periods, and are charged 5 percent interest during the principal repayment period. In the 2000-2001 academic year, students at two-year institutions had loans of $31.7 million of the $1.14 billion for all Perkins loans. In addition, two-year institutions received $1.9 million in administrative cost allowance for managing the program on their campuses.

Federal Direct Loans ***$36.1 M***

The federal government provides subsidized loans based on need, as well as unsubsidized loans. The Federal Direct Loan Program includes Stafford Subsidized and Unsubsidized Loans, and Parent Loans for Undergraduate Students (PLUS). In 2000, 85,000 students at two-year institutions borrowed $22 million of the $6.3 billion total, and represented more than 6 percent of all borrowers. An additional $13.3 million was borrowed by

48,000 two-year students participating in the Stafford unsubsidized program. Families of 1000 students participated in the PLUS program, borrowing $800,000.

Federal Family Education Loans ***$1.5 Billion***

The Federal Family Education Loan (FFEL) program, formerly known as the Guaranteed Student Loan program, empowers state and private nonprofit agencies to guarantee student loans and to establish loan insurance for lenders without access those entities. In FY 2000, 340,000 students at two-year institutions had Stafford subsidized loans of $89.5 million out of the $12.56 billion for that year. Students at these institutions were nearly 12 % of all Stafford borrowers. For the PLUS program, 12,000 borrowers had loans of $60 million out of the $2.6 billion.

Demonstration, Research, or Grant Projects affecting Community Colleges:

There are individual demonstration, research, or project grants that often go to community colleges, among other institutions. Additionally, the U.S. Department of Education provides funding to students in need of special or vocational rehabilitation education, and to programs that serve them. While specific data on the amounts expended to community colleges or their students is not available, community colleges are important providers of those programs. The Office of Special Education Programs also provides support for programs preparing teachers in specialized areas or minority institutions and projects of national significance that develop, evaluate, and disseminate models for systemic improvement.

Tax-Assistance for Education:

Additional information can be obtained from IRS Publication 970: Tax Benefits for Education, www.irs.gov/pub/irs-pdf/p970.pdf. (Note: eligibility in individual programs may also be affected by participation in the other tax benefit programs)

HOPE and Lifetime Learning Tax Credits

For students in the first two years of college or other eligible postsecondary training, taxpaying students or their families are eligible for a tax credit equal to 100% of the first $1,000 of tuition and fees not covered by grants, and 50% of the second $1,000.Lifetime Learning Tax Credits are offered to students who are part-time, beyond the first two years of college, or upgrading skills, providing a 20%credit for up to $10,000 in tuition and fees. **(www.ed.gov/inits/hope/)**

Employer-Provided Education Benefits

Workers receiving employer-provided education benefits can exclude up to $5,250 of that from their taxable income.

Tuition and Fees Deduction

Up to $3,000 may be deducted from taxable income for qualified tuition and related expenses for the taxpayer, spouse or dependent.

Student Loan Interest Deduction
Depending on income level, up to $2,500 of interest paid on student loans for postsecondary education and training expenses may be deductible. Taxpayers having loans cancelled under a qualified program established to recruit students to work in designated areas of need are not subject to taxes on the amount cancelled.

Programs to Encourage Saving for Education
Other tax benefits are available for Coverdell Education Saving Accounts, Qualified Tuition Programs for pre-paid tuition savings plans, IRA withdrawals for qualified education expenses, and Education Savings Bonds programs.

Other Federal Departments or Agencies Funding Community Colleges

Additional federal departments and agencies provide funding to community and technical colleges—either directly, through state grants that subsequently go to institutions, or through funding to individuals who purchase services, education or training from those institutions. The agency providing the largest amount of direct grants to community colleges is the National Science Foundation.

National Science Foundation (NSF) ***$65.9 M***
NSF promotes science, mathematics, engineering and technology education. Under the Division of Undergraduate Education (DUE), the largest program for community colleges is the *Advanced Technological Education* (ATE), with two-year colleges as the lead partners. Designed to improve technological education at the secondary and undergraduate levels, awards go to ATE Projects, ATE Centers, and Articulation Partnerships (to encourage articulation from two-year to four-year postsecondary institutions). Activities focus on curriculum, teacher preparation or professional development, program improvement, and articulation. In FY 2002, 124 community colleges received $37.6 million in ATE funding.
Other Division of Undergraduate Education programs include:

- *Course, Curriculum and Laboratory Improvement* (CCLI), with 11 awards to two-year colleges totaling $913,000
- *Computer Science, Engineering, and Mathematics Scholarships* (CSEMS), with 26 two-year institutions receiving $7.9 million
- *National Science, Technology, Engineering, and Mathematics Digital Library Program* (NSDL), with two community colleges receiving a total of $591,000
- *Science, Technology, Engineering, and Mathematics Talent Expansion Program* (STEP), with four two-year institutions receiving awards totaling $859,000.

The Division of Human Resource Development supports programs to enhance the quality of teaching and expand diversity. The largest program for community colleges is the *Tribal Colleges and Universities Program*, which provided 18 colleges with $11.1 million in FY 2002. Other programs in this area provided another nearly $6 million to 10 two-year institutions. Finally, 12 two-year institutions received $985,000 in other NSF projects. In terms of new awards for FY 2002, 134 two-year institutions received multi-

year awards totaling $70.9 million over the life of the awards. **(www.nsf.gov/home/menus/funding.htm)**

Department of Agriculture programs include the Rural Utilities Service's Distance *Learning and Telemedicine Grant Program*, *Rural Housing Service*, and *Rural Business/ Cooperative Service* to build competitive businesses and cooperatives. **(www.rurdev.usda.gov)**. The Research, Education, and Economics Mission Area's *Cooperative State Research, Education, and Extension Service* programs promote minority student participation in agriculture-related curricula and careers. **(www.reeusda.gov)**

Department of Commerce provides programs through the Economic Development Administration to promote a favorable business environment for private capital investment and higher-skill, higher-wage jobs—with decisions on funding made by the EDA's regional offices. **(www.doc.gov/eda)**. Some of those programs have funded community colleges, including almost $14.5 million under the *Public Works and Development Facilities Program*. Other programs of interest include *Local Technical Assistance*; *Planning for Economic Development Districts, Indian Tribes, States and Urban Areas*; and technical assistance and research projects. In addition, the National Telecommunications and Information Administration's *Technology Opportunities* and *Public Telecommunications Facilities* programs support activities that could be provided by community colleges, although none received funding in FY 2002. **(www.ntia.doc.gov)**

Department of Defense provides scholarships, fellowships, and institutional grants under the *National Security Education Program* and the *National Flagship Language Initiative*. **(www.nflc.org).** The *Dual Use Applications Program* focuses on technologies that can be used for military and commercial use, and encourages colleges to partner with industry and/or other education institutions. **(www.dtic.mil/dust/)**

Department of Energy programs include several that focus on internships for students (*Community College Institutes*, *Science Undergraduate Laboratory Internship*) or faculty (*Faculty and Student Teams*), as well as possible resources through the *Used Energy-Related Lab Equipment* program **(http://erle.osti.gov/erle/)**, and *Energy Conservation Grants* distributed through state officers. **(www.energy.gov)**

Department of Health and Human Services (HHS) has several programs to increase the number of nurses, including the *Basic Nursing and Practice Grants*, *Nursing Workforce Diversity*, and *Minority Faculty Fellowships*. In many cases, partnerships with baccalaureate institutions strengthen community college applications. **(www.bhpr.hrsa.gov).** Programs to assist students in health care fields include the *Health Careers Opportunity Program*, *Nursing Student Loan Program*, and *Scholarships for Disadvantaged Students*. The *Allied Health Program* awards grants to expand education, enrollment, and clinical training sites. The *Nursing Education Loan Repayment Program* (NELRP) offers registered nurses substantial assistance in repaying educational loans in exchange for service in eligible facilities located in areas

experiencing a shortage of nurses. **(http://bhpr.hrsa.gov/nursing/loanrepay.htm).** Also under HHS, the National Institutes of Health's (NIH) *Bridges to the Baccalaureate Degree* program offers grants to partnerships that include two-year institutions. NIH additionally offers research and faculty development awards, several of which focus on minority institutions. **(www.nigms.nih.gov)**

Finally, HHS's Administration for Children and Families and oversees the *Temporary Assistance for Needy Families* (TANF) Program that was created by the Welfare Reform Law of 1996. TANF provides funding to states to assist in plans to move families from dependence on welfare or public assistance into financial independence. Along with an emphasis on work, provisions allow for upgrading of skills through education or job-training programs, many of which may be implemented through community colleges. **(www.acf.hhs.gov/programs/ofa/)**

Department of Housing and Urban Development houses the Office of University Partnerships, with five programs where community colleges are eligible applicants. The *Community Outreach Partnership Centers*, *Hispanic Serving Institutions Assisting Communities*, *Alaska Native/Native Hawaiian Assisting Communities*, *Historically Black Colleges and Universities*, and *Tribal Colleges Programs* engage colleges in community development to benefit low-, or low- and moderate-income residents. **(www.oup.org)**

Department of the Interior, through the Bureau of Indian Affairs, provides funds to Tribally-Controlled Community Colleges through several programs designed to support improved opportunities for education, as well as expand endowments and facilities. More than $30 million supported community colleges in FY 2002. **(www.doi.gov)**

Department of Justice operates several Community Oriented Policing Services for which community colleges are eligible, including the *Making Officer Redeployment Effective* and the *Universal Hiring* programs. The Office of Police Corps and Law Enforcement Education provides college education assistance to students. Many other programs offer support to state and local efforts to enhance law enforcement or crime prevention. **(www.ojp.usdoj.gov)**.

Department of Labor provides a number of programs under the Employment and Training Administration that offer opportunities to community colleges, or funding to those who may use the services of these institutions. Primary funding under the Workforce Investment Act flows through the *Individual Training Account* delivery system, allowing youth and adult clients to seek training and services through community colleges or other entities. Other programs of interest include the *One-Stop Delivery System*, *Migrant and Seasonal Farmworkers*, as well as the *National Emergency Grants* that provide funds for disaster relief or training for major economic dislocation. **(www.doleta.gov)**

Department of Transportation offers student internships, as well as partnerships with minority serving institutions. Additionally, the *Garrett A. Morgan Technology and Transportation Futures Program* includes community college partnerships that 1) assist

in mid-career re-training of adults or 2) focus on advanced transportation technologies. **(http://education.dot.gov)**

Corporation for National and Community Service supports opportunities for Americans of all ages and backgrounds to engage in service that addresses the nation's educational, public safety, environmental, and other human needs. Annually, approximately 50,000 individuals serve their communities for 20-40 hours per week through *AmeriCorps*. Participants receive an education award of up to $4,725 to pay for college, graduate school, or to pay back qualified student loans. *Learn and Serve America* grants support schools, colleges, and non-profit groups in supporting service by students. Community colleges are recipients of Learn and Serve awards, and many of their students receive AmeriCorps grants for their community service. Funding in 2002 totaled $407 million. **(www.nationalservice.org)**

Environmental Protection Agency funds a number of programs with opportunities for community colleges, many of which are implemented through regional grants. The *Brownfields Economic Redevelopment Initiative* includes environmental education and job training projects that could include community colleges as partners, subgrantees, or workforce development sites. **(www.epa.gov/swerosps/bf/topics.htm).**

National Endowment for the Humanities (NEH) supports research, education, and public programs in history, literature, philosophy, foreign language, and other humanities disciplines. NEH programs of interest to community colleges include: *Education Development and Demonstration Grants, Institutional Grants, Seminars and Institutes, Public Programs, Challenge Grants*, as well as research, fellowship, and internship opportunities. Community colleges, or individuals affiliated with them, received more than $1.2 million in FY 2001. **(www.neh.gov)**

Small Business Administration offers several programs that may involve community colleges in activities to assist small businesses. *The Small Business Development Centers* (SBDC) connect resources from federal, state and local governments with those of education and the private sector. Community colleges in five states lead SBDCs, while many other colleges have representatives on state or local advisory boards. **(www.sba.gov/sbdc)**

Many of these departments and agencies—as well as others not appearing on this list—also offer other internship opportunities for students and faculty, research grants, and demonstration projects that may involve community colleges or their students. In addition, community colleges are often sub-grantees or partners in grants or contracts that have other institutions or entities as the lead partner.

NOTES:

[i]Information in this publication is current as of April 17, 2003.

[ii]U.S. Department of Education, Office of Postsecondary Education Policy, Planning and Innovation, Federal Student Loan Programs Data Book: Fiscal Years 1997-2000 and Federal Campus-Based Programs Data Book 2002.

[iii]American Association of Community Colleges, National Profile of Community Colleges: Trends and Statistics, Third Edition (2000).

[iv]U.S. Department of Education, National Center for Education Statistics. Digest of Education Statistics, 2001,Table 176, NCES 2002–130. Washington, DC: 2002.

[v]U.S. Department of Education, National Center for Education Statistics. Digest of Education Statistics, 2001,Table 177, NCES 2002–130. Washington, DC: 2002.

[vi]U.S. Department of Education, National Center for Education Statistics. Digest of Education Statistics, 2001,Table 207, NCES 2002–130. Washington, DC: 2002.

[vii]U.S. Department of Education, National Center for Education Statistics. 1999-2000 National Postsecondary Student Aid Study (NPSAS:2000), Table 6, NCES 2002–168. Washington, DC: 2002.

[viii] American Association of Community Colleges, National Profile of Community Colleges: Trends and Statistics, Third Edition (2000).

[ix] U.S. Department of Education, National Center for Education Statistics. Digest of Education Statistics, 2001, NCES 2002–130. Washington, DC: 2002.

[x] U.S. Department of Education, National Center for Education Statistics. Digest of Education Statistics, 2001,Table 176, NCES 2002–130. Washington, DC: 2002.

[xi] U.S. Department of Education, National Center for Education Statistics. Digest of Education Statistics, 2001,Table 316, NCES 2002–130. Washington, DC: 2002.

[xii] U.S. Department of Education, National Center for Education Statistics. Digest of Education Statistics, 2001,Table 322, NCES 2002–130. Washington, DC: 2002.

[xiii]American Association of Community Colleges, National Profile of Community Colleges: Trends and Statistics, Third Edition (2000).

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